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SUBJECT: CODEL HOYER MEETING WITH PRESIDENT LULA

¶1. (SBU) Summary. In a rare meeting granted by President Lula to a US congressional delegation, President Lula told CoDel Hoyer April 8 that he has high expectations of the Obama administration, sees a new era in U.S. relations with Latin America, and hopes for a positive gesture on Cuba at the Summit of the Americas. Lula stressed the importance of direct leader involvement in the Doha Round to produce a successful outcome, urged the United States to begin a new relationship with Venezuela, and said he would go to Iran soon because Brazil sees value in dialogue with Iran and has political and economic interests there. He urged the creation of a regular bilateral U.S.-Brazil congressional exchange, especially on energy. He described a financial aid program for low-income college students. Septels will report on other Codel meetings. End summary

Hoyer: Brazil is important
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¶2. (SBU) Majority Leader Steny Hoyer, Congresswoman Lucille Roybal-Allard, Congressman Elijah Cummings, Congressman Gregory Meeks, Congresswoman Debbie Wasserman Schultz, Congressman Adrian Smith, Congressman Gerry Connolly, Congressman Aaron Schock, staffers Mariah Sixkiller and Brian Diffell, Charge Lisa Kubiske, and Poloff (notetaker) met on April 8 with President Lula, who was accompanied by Foreign Policy Advisor Marco Aurelio Garcia, Deputy Foreign Policy Advisor Marcel Biato, and Foreign Policy Unit aide Elio Cardoso.

¶3. (SBU) Congressman Hoyer told President Lula that the delegation had come to Brazil because of Brazil's extraordinary importance. Hoyer noted Lula's achievements as president, Brazil's hemispheric and global role, and its critical role in the G-20. President Obama recognizes Brazil's importance: Lula was the first Latin American leader he met with, which was an important signal, and Brazil and the United States must be partners, Hoyer said. Presidents Obama and Lula, together with their colleagues, have an opportunity to confront major problems such as the economy, the environment, and hunger, Hoyer told the president, and thanked him for his role in the region.

Lula: "New Era" in U.S.-Latin American Relations
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¶4. (SBU) A wide-ranging conversation that was to have lasted 30 minutes but stretched to 90 followed Hoyer's opening remarks, peppered with Lula's characteristic personal anecdotes and jokes. Lula opened by declaring, "I have a conviction - it is pure intuition - that Obama may set out a new era in U.S.-Latin American

relations and U.S.-African relations." He pointed to a time of opportunity for President Obama, saying the situation in the region is now "totally changed" from the past, when "mistaken policies in Latin America," armed struggles and other things that took place during the Cold War caused anti-Americanism in the region.

Latin America Has Changed

15. (SBU) Latin America has undergone a profound change, he explained, and credited the Sao Paulo Forum, founded in 1990 by the Workers' Party, as the starting point that brought regional leftist groups together and set them on a path of attaining power through peaceful political activity. This mainstreaming has today borne fruit in the election of leftist leaders throughout the region, Lula said, including himself, Chilean President Michelle Bachelet and many others, and, most recently, Mauricio Funes of El Salvador. He said all those who formerly professed mass struggle are organizing political parties today, concluding, "We proved that the easiest way to power was through elections."

16. (SBU) Lula said the inspiration for convening the Forum came after he had turned around his flagging presidential campaign in 1989 and made it to the second round of the election. "Never in Latin America had a lathe operator gotten so far," he told the visiting congressmen, "and because we had come out stronger, I decided to call in all the leftist parties from Latin America." He noted that almost all of them have by now come into power. Asked whether he was responsible for all this, Lula pointed at his foreign policy adviser, Marco Aurelio Garcia, and replied half-jokingly, "He, more than I."

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17. (SBU) Still, Lula said, the "prejudices" of the Cold War period persist, but personal relationships can solve problems that email and faxes cannot. Only personal chemistry can solve problems. He said President Obama could do more than he was able to in six years, and he is already getting started.

We are all interdependent

18. (SBU) Congressman Hoyer observed that President Obama can benefit from Lula's experience and that one country alone can no longer stabilize the world. Lula agreed and stated, "Today we all depend a little on China," half-jokingly recalling the amount of "Made in China" goods he has seen in U.S. stores. "Trade has made us all more interdependent," he concluded.

Relationship with Bush could not have been better

19. (SBU) Lula said his relationship with President George W. Bush was very respectful and could not have been better. He recalled their first meeting: Bush was focused on Iraq, war, and overthrowing Saddam Hussein. Lula replied, telling Bush his own war was not with Iraq, but with poverty and hunger. At the time, Lula recalled, he was sure Iraq had no chemical weapons, and a senior Brazilian member of the weapons inspections team had been pulled out at U.S. insistence because he also believed there were no chemical weapons. On the other hand, Lula observed, Saddam Hussein was a "madman who didn't have the courage to admit that he didn't have the weapons."

Obama will be extraordinary

110. (SBU) Returning to Obama, Lula said he believes U.S. foreign policy is becoming more proactive yet without being a "mere interference in other countries' affairs." Obama will be extraordinary, in part for the things we share. He can make a big difference, especially in relations with smaller countries. Africa, for example, needs to develop or its rapidly increasing populations will emigrate to developed countries such as the United States. Lula said he believes leaders of developed countries need to visit

Africa to understand its realities, noting that he has visited 23 African countries.

Lula to Obama: Use Political Capital to do the Necessary

¶11. (SBU) Politics is a perverse business, Lula explained, and one's fortunes rise and fall quickly, so Obama must use his political capital now to do what must be done. Leaders, in his view, must become personally involved in the Doha Round, the G-8, the G-14, the G-20, and the Summit of the Americas in order to break free from the bureaucratic machinery of advisers and ministries and bring true advances. He said he had warned Obama of the danger of "being swallowed by the machine," which he likened to Chaplin's "Modern Times."

Doha Round

¶12. (SBU) In reply to Congressman Meeks's question about the Doha Round, Lula said it was necessary to "take it back from technicians" and let the politicians take over to get beyond technical details and reach a decision at the political level. He said he agreed with President Sarkozy's suggestion of a leaders' discussion at the G-8 in Rome next June, was convinced that the United States did not have to give up anything to reach success and it would be good for the poorest countries.

The Summit of the Americas...and Cuba, Venezuela

¶13. (SBU) Asked about the upcoming Summit of the Americas, Lula noted that the declaration has already been completed. Lula characterized the Summit as a leftover from the failed FTAA process and said both the Summit of the Americas and the Ibero-American Summit no longer have much meaning because they are so scripted.

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The proof is that the economic crisis will not even be mentioned in Port of Spain.

¶14. (SBU) Cuba will be raised at the Summit of the Americas, but no one wants Obama to be embarrassed over Cuba, least of all the Cubans, Lula noted, because that would strengthen U.S. hardliners. Lula expects a peaceful summit without any verbal attacks on the President over Cuba. There is hope in Latin America for a change in U.S. policy on Cuba; expectations are so high that if Obama is silent on Cuba at the SOA it will cause frustration. Other leaders such as Calderon of Mexico, Preval of Haiti and Uribe of Colombia will make statements on Cuba. "Let's break the taboo...We need to solve the problem with Cuba. Let's establish a new U.S.-Cuban relationship," he proposed. Obama should make a positive gesture towards Cuba such as allowing all American citizens to visit Cuba. (Note: Coincidentally, the CoDel's meeting came only hours after an unannounced meeting between Lula and Cuban Foreign Minister Bruno Rodriguez. End note.)

¶15. (SBU) Asked whether Hugo Chavez would not attack Obama at the Summit, Lula said he thinks not. He added that criticism and provocation of Chavez are not constructive and only strengthen Chavez. In Lula's view, U.S.-Venezuelan relations are like "a fight between a husband and wife." "The fight may have been pleasant for a while, but no longer is." Obama can start a new relationship with Venezuela, and the U.S. and Venezuela should exchange ambassadors, Lula stated.

Iran

¶16. (SBU) Congresswoman Debbie Wasserman Schultz urged Lula to "go slow" on Iran. Lula replied that he regrets not having gone to Iran earlier because President Ahmadinejad needs to hear points of view other than those of Daniel Ortega and Hugo Chavez. He is going to Iran (though probably not until after the elections there), he said, because Brazil has political and economic interests there and Iran is important to Brazil and important in the region. Lula said

Brazil has always had a good trade relationship with Iran, although greatly in Brazil's favor, and he would discuss nuclear energy with Iran. (Note: Following the March visit of Iran's foreign minister to Brasilia, senior GOB officials have confirmed that a visit by Iranian President Ahmadinejad to Brazil is in the works, perhaps as early as May. Brazilian engagement with Iran should be viewed in the context of Brazil's south-south diplomatic outreach, since in Lula's view there is value for Brazil in dialogue with Iran that goes beyond commercial interests. Charge heard a similar view on April 8 from Ambassador Roberto Jaguaribe, Under Secretary for Political Affairs at the Ministry for External Relations, who emphasized the importance of direct dialogue with Iran, noting that "peripheral" countries should talk to and exchange information with each other directly and not through the United States or Europe (septel). End note.)

Congressional Exchanges

¶17. (SBU) President Lula noted the absence of a strong relationship between our congresses and encouraged the U.S. members of congress to work toward the creation of a regular, institutionalized, bilateral congressional exchange. He suggested energy as an appropriate focus. Congressman Hoyer said he would follow up.

¶18. (U) Finally, Lula told the delegation about Pro-Uni (University for All Program), an educational initiative to help underprivileged students. Lula explained that under Pro-Uni the GOB grants a tax exemption to private universities, which in turn contribute the value of the exemption to a scholarship fund for poor and black students in private universities. Students must have attended a public school in order to receive benefits. Lula said 56,000 students from poor communities, 40% of them black, have graduated from colleges because of Pro-Uni, today 45% of students in private universities are black, and Pro-Uni represents a revolution for Brazil. Congressman Hoyer replied that private universities in the United States are already tax exempt and the government assists low income students through the Pell Grant program, which has been expanded in recent years. (Background note: Public universities in Brazil are free and admission is competitive. Students who graduate from public high schools, which are generally inferior to private

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schools, are less well prepared for the entrance exams than private school graduates. As a result, public school graduates, who come from the poorest Brazilian families, are the least able to pay tuition, are disproportionately black and mulatto, but generally must attend private universities -- or no university -- while those whose families could afford private school attend tuition-free public universities. Pro-Uni was designed to address this situation. End background note.)

¶19. (SBU) Embassy Comment: Lula had not received a U.S. congressional delegation in at least three years, and his decision to receive the Hoyer delegation signals a greater receptiveness and more positive evaluation of the value of such contacts on the part of the Presidential Palace. End Embassy comment.

¶20. (U) The Hoyer delegation has cleared this message.

SOBEL